

BEFORE  
THE PUBLIC SERVICE COMMISSION OF  
SOUTH CAROLINA  
DOCKET NO. 2011-479-E

Office of Regulatory Staff,

Complainant/Petitioner,

vs.

Mill Creek Marina & Campground, Inc.  
and/or Richard B. and Diane W. Anderson,

Defendants/Respondents.

**DIRECT TESTIMONY AND  
EXHIBITS OF RICHARD ANDERSON**

1 Q. Please state your name and what you do for a living.

2 A. **My name is Richard Anderson. I own and operate Mill Creek Marina &**  
3 **Campground on Lake Marion in Vance, South Carolina.**

4 Q. Please give a brief history of Mill Creek Marina & Campground.

5 A. **My family and I have been operating Mill Creek Marina & Campground**  
6 **since December of 1992. Mill Creek is located on Lake Marion. Mill Creek has 86**  
7 **sites for campers and offers various recreational activities, including swimming and**  
8 **fishing. Mill Creek also has motel units available and offers a full service restaurant**  
9 **and general store with bait and tackle.**

10 Q. How many of the 86 sites are currently occupied?

11 A. **Presently, there are about 70 occupied sites. Until about a year and a half**  
12 **ago, all 86 camp sites were occupied. Unfortunately, the bad economy has caused**  
13 **some of our customers not to renew their leases.**

14 Q. Please tell the reader a little bit about your customers/tenants.

**RECEIVED**

PSC SC  
MAIL / DMS

1    **A.     Mill Creek has been fortunate to have loyal customers. Some of our**  
2    **customers have rented camp sites from us since my family purchased Mill Creek in**  
3    **1992.**

4    **Q.     Please explain how you charge your customers/tenants for their use of the**  
5    **campground.**

6    **A.     Our customers are charged in a variety of ways. Some of our customers enter**  
7    **into yearly leases and make a single payment for the entire year. Some of our**  
8    **customers enter into yearly leases and pay rent each month. Some of our customers**  
9    **enter into month-to-month arrangements and pay each month. Some customers**  
10   **come to Mill Creek only for a few days or a few weeks and they pay a daily fee.**

11   **Q.     Do you also charge your customers for electrical services?**

12   **A.     Yes, we do.**

13   **Q.     Please explain how you charge your customers for electrical services.**

14   **A.     Within the campground, there are eleven meters supplied by Tri-County**  
15   **Electric Cooperative (“Tri-County”). From these 11 meters, lines are run to the**  
16   **individual campsites with a meter at each site. Mill Creek is the customer for the 11**  
17   **Tri-County accounts. Mill Creek takes the monthly charges from these 11 meters**  
18   **and allocates them to each customer based on the customer’s actual usage. In our**  
19   **billing procedure, Mill Creek determines the total kilowatt usage from Tri-County’s**  
20   **monthly billing on the eleven meters. We use this calculation to determine the**  
21   **average cost per kilowatt hour. Then each camper is billed according to its kilowatt**  
22   **hour usage based on the Tri-County monthly reading and the meter reading from**  
23   **each site. The meters at each site are fully digital and therefore reflect the actual**

1 consumption of electricity used at that site. There are some common areas around  
2 the campsite such as the bath house. We do not bill our customers for the electricity  
3 used in the common areas.

4 Q. Does Mill Creek make a profit off of the charges it imposes on its customers for  
5 electrical services?

6 A. No, it does not. I have reviewed my annual bills from Tri-County and what I  
7 charge my customers. From these, I have prepared two charts to demonstrate Mill  
8 Creek does not make a profit off of the charges it imposes on its customers for  
9 electrical services. (Exhibit A) The first chart shows the amount Tri-County billed  
10 Mill Creek for electrical services for the eleven separate meters in 2011. The second  
11 chart is a sampling for a single account. This chart shows the amount Mill Creek  
12 billed to its customers for the provision of electrical services for meter # 5393627 in  
13 2011.

14 Together, these charts show that in 2011 Mill Creek was billed \$1,120.13 by  
15 Tri-County for meter # 5393627 and that in 2011 Mill Creek billed its customers  
16 whose meters connect to meter # 5395627 \$851.12. I believe these numbers to be  
17 representative of all eleven meters. Mill Creek is not reselling electricity. We are not  
18 compensated for electricity. We are merely passing a portion of the electrical  
19 expenses we incur onto our customers.

20 Mill Creek bills its customers based on the kilowatt hours used by the  
21 customer at the rate that Tri-County charges Mill Creek. No customer is billed for  
22 electricity used in the common areas. Therefore, Mill Creek is not making a profit  
23 off of the charges it imposes on its customers for electricity.

1 Q. Does Mill Creek charge an additional administrative fee in connection with  
2 billing its customers for electricity?

3 A. Yes. Mill Creek charges its customers an additional administrative fee of  
4 \$5.00 per month. However, the total administrative fees for meter # 5393627 were  
5 \$240.00 for 2011 (4 campsites x 12 months x \$5.00). Therefore, even including the  
6 administrative fees, we charged our customers connected to meter # 5393627 less  
7 than Tri-County charged us.

8 Q. What would happen if Mill Creek charged its customers a flat monthly fee for  
9 electrical services?

10 A. It would be very unfair to do so and likely would cause some of our  
11 customers to leave our campground and go somewhere else. There is a great variety  
12 in the frequency with which our customers use their campsites. Some customers use  
13 their campsites on a weekly basis while others may only use their campsites one or  
14 two weeks of the entire year even though their lease is for the whole year. If we  
15 charged a flat fee for electrical services, some of our customers' electrical bills  
16 would increase dramatically.

17 Also, if Mill Creek charged its customers a flat monthly fee for electricity, the  
18 customers would have no incentive to limit their use of electricity. Under our  
19 current billing system, customers are charged for what they actually use. Therefore,  
20 if they leave the campsite, they unplug their campers or take steps to ensure that  
21 they are using as little electricity as possible. If all of the campers paid a flat  
22 monthly fee, it would not matter to the customers how much electricity they used.  
23 We expect that the electrical usage would increase dramatically if we went to a flat

1    **monthly fee. This would, in turn, force us to raise our monthly fee and would cause**  
2    **more customers to leave.**

3    Q.     Have you discussed with Tri-County the possibility of Tri-County billing your  
4    customers directly?

5    A.     Yes. Currently, the electrical lines that run from the eleven Tri-County  
6    meters to the individual campsites are underground. We understand that, if Tri-  
7    County were to provide electrical service to each individual campsite, Tri-County  
8    would require the electrical lines to be above-ground. It is my understanding that  
9    Tri-County would require Mill Creek to pay to have the electrical lines changed  
10   from underground to above-ground. There is also a major practical problem with  
11   having Tri-County provide electrical services directly to each of the campsites. The  
12   customers would have to establish an account with Tri-County. It is not feasible for  
13   each of our customers to establish an account with Tri-County because we have  
14   some customers who may rent a campsite for a short period of time.

15   Q.     Has the Public Service Commission ever provided you with permission to charge  
16   your customers for electrical services in the manner you are currently charging?

17   A.     Yes. Approximately fifteen years ago, per my request, I received a letter  
18   from the Public Service Commission authorizing me to install a meter at each  
19   campsite and charge my customers for their electrical usage with the understanding  
20   that Mill Creek could not make a profit from the selling of electricity.

21   Q.     Does Brian Pearson still lease from you?

22   A.     No, his lease expired last month.

1 Q. Did Mill Creek ever charge Brian Pearson more than what he consumed in  
2 electricity?

3 A. **No. I only charged him for the electricity he used.**

4 Q. Did a representative of the ORS ever come to visit Mill Creek?

5 A. **Not that I aware of.**

6 Q. If someone from ORS had visited Mill Creek, would you have shown him or her  
7 the Tri-County bills and your monthly statements showing you did not make a profit on  
8 electricity to your customers?

9 A. **Yes, I would have been glad to show them all of my records.**

10 Q. Does this conclude your pre-filed testimony?

11 A. **Yes, it does.**

EXHIBIT A  
TO  
*DIRECT TESTIMONY AND EXHIBITS OF  
RICHARD ANDERSON*

Meter Number	Jan-11	Feb-11	Mar-11	Apr-11	May-11	billed from Tri-County		Jun-11	Jul-11	Aug-11	Sep-11	Oct-11	Nov-11	Dec-11	Yearly Total
5993625	\$ 33.65	\$ 13.07	\$ 13.03	\$ 15.52	\$ 29.81			\$ 58.00	\$ 131.80	\$ 152.09	\$ 124.49	\$ 96.52	\$ 88.73	\$ 99.77	\$ 856.48
5392551	\$ 203.29	\$ 139.23	\$ 138.33	\$ 158.36	\$ 207.29			\$ 307.96	\$ 447.38	\$ 333.76	\$ 394.12	\$ 160.68	\$ 143.85	\$ 160.03	\$ 2,794.28
4163657	\$ 87.79	\$ 99.74	\$ 61.22	\$ 64.42	\$ 75.21			\$ 142.49	\$ 158.93	\$ 117.33	\$ 131.83	\$ 105.77	\$ 76.25	\$ 74.09	\$ 1,195.07
4163658	\$ 130.88	\$ 104.69	\$ 82.60	\$ 112.78	\$ 107.25			\$ 158.36	\$ 218.46	\$ 167.99	\$ 192.39	\$ 91.09	\$ 78.41	\$ 64.60	\$ 1,509.50
4163651	\$ 171.20	\$ 151.94	\$ 168.00	\$ 176.08	\$ 184.28			\$ 302.93	\$ 475.26	\$ 482.83	\$ 453.43	\$ 231.16	\$ 166.25	\$ 122.00	\$ 3,085.36
4164712	\$ 43.73	\$ 36.77	\$ 45.17	\$ 64.72	\$ 71.20			\$ 100.61	\$ 129.53	\$ 186.04	\$ 198.65	\$ 144.41	\$ 123.16	\$ 70.60	\$ 1,214.59
4164710	\$ 25.53	\$ 122.17	\$ 23.19	\$ 31.98	\$ 28.67			\$ 29.94	\$ 31.36	\$ 31.34	\$ 30.95	\$ 27.64	\$ 28.85	\$ 24.88	\$ 436.50
5393627	\$ 13.08	\$ 13.49	\$ 45.89	\$ 58.61	\$ 56.69			\$ 156.40	\$ 224.92	\$ 239.08	\$ 150.41	\$ 56.58	\$ 56.81	\$ 48.17	\$ 1,120.13
4163660	\$ 67.71	\$ 41.52	\$ 51.16	\$ 66.94	\$ 68.11			\$ 228.47	\$ 316.16	\$ 398.47	\$ 244.91	\$ 124.73	\$ 96.89	\$ 82.73	\$ 1,787.80
4163650	\$ 273.45	\$ 185.32	\$ 259.16	\$ 273.03	\$ 273.92			\$ 514.68	\$ 608.15	\$ 545.74	\$ 413.38	\$ 260.18	\$ 209.08	\$ 234.33	\$ 4,050.42
4164693	\$ 611.92	\$ 454.79	\$ 411.19	\$ 453.21	\$ 460.50			\$ 764.41	\$ 977.99	\$ 772.68	\$ 605.37	\$ 359.49	\$ 360.37	\$ 254.33	\$ 6,486.25



billed to campers

Meter Number 5393627

Date	CS # 81	CS # 82	CS # 83	CS # 84
Jan-11	\$ 0.53	\$ -	\$ -	\$ -
Feb-11	\$ -	\$ -	\$ -	\$ 45.90
Mar-11	\$ -	\$ 7.77	\$ -	\$ -
Apr-11	\$ -	\$ 47.32	\$ -	\$ 3.53
May-11	\$ -	\$ 64.45	\$ -	\$ 1.06
Jun-11	\$ 7.06	\$ 99.22	\$ 68.33	\$ -
Jul-11	\$ -	\$ 121.65	\$ 98.34	\$ -
Aug-11	\$ 3.01	\$ 107.52	\$ -	\$ -
Sep-11	\$ 2.65	\$ 53.67	\$ -	\$ -
Oct-11	\$ -	\$ 42.08	\$ -	\$ 0.66
Nov-11	\$ -	\$ 45.42	\$ -	\$ 5.64
Dec-11	\$ -	\$ 25.31	\$ -	\$ -
Totals	\$ 13.25	\$ 614.41	\$ 166.67	\$ 56.79
Grand Total	\$	\$ 851.12		